

State of Iowa
Projected Condition of the General Fund

(In Millions)

	Actual FY 2020	Estimated FY 2021	LSA Projection FY 2022
Resources			
Net Receipts (Oct. 13, 2020, REC Est.)	\$ 7,930.6	\$ 7,911.7	\$ 8,230.8
Surplus Carryforward	195.6	252.7	252.3
Total Available Resources	\$ 8,126.2	\$ 8,164.4	\$ 8,483.1
Expenditure Limitation			\$ 8,400.8
Appropriations and Expenditures			
Appropriations	\$ 7,642.6	\$ 7,778.5	\$ 7,778.5
Adjustments to Standing Appropriations	4.7	0.0	0.0
Built-In and Anticipated Expenditures	0.0	0.0	228.3
Supplemental/Deappropriations	185.6	0.0	0.0
Total Appropriations	\$ 7,832.9	\$ 7,778.5	\$ 8,006.8
Reversions	- 12.2	- 5.0	- 5.0
Net Appropriations	\$ 7,820.7	\$ 7,773.5	\$ 8,001.8
Ending Balance – Surplus	\$ 305.5	\$ 390.9	\$ 481.3

State of Iowa Reserve Funds

(In Millions)

	<u>Actual FY 2020</u>	<u>Estimated FY 2021</u>	<u>Projected FY 2022</u>
<u>Cash Reserve Fund</u>			
Funds Available			
Balance Brought Forward	\$ 571.6	\$ 587.9	\$ 587.8
General Fund Transfer from Surplus	289.3	305.5	390.9
Total Funds Available	<u>\$ 860.9</u>	<u>\$ 893.4</u>	<u>\$ 978.7</u>
Transfer to Economic Emergency Fund	- 273.0	- 305.6	- 361.4
Balance	<u>\$ 587.9</u>	<u>\$ 587.8</u>	<u>\$ 617.3</u>
<i>Maximum 7.5%</i>	\$ 587.9	\$ 587.8	\$ 617.3
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<u>Economic Emergency Fund</u>			
Funds Available			
Balance Brought Forward	\$ 185.6	\$ 189.5	\$ 195.9
Excess from Cash Reserve Fund	273.0	305.6	361.4
Executive Council – Performance of Duty	- 7.0	- 25.0	- 25.0
Total Funds Available	<u>\$ 451.6</u>	<u>\$ 470.1</u>	<u>\$ 532.3</u>
Excess Surplus	- 255.6	- 274.2	- 326.5
FY 2020 Perf. of Duty Expense Adjustment	- 6.5	0.0	0.0
Emergency Appropriation - SF 2408	- 17.0	0.0	0.0
Iowa Coronavirus Relief Fund Transfer	17.0	0.0	0.0
Balance	<u>\$ 189.5</u>	<u>\$ 195.9</u>	<u>\$ 205.8</u>
<i>Maximum 2.5%</i>	\$ 196.0	\$ 195.9	\$ 205.8
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<u>Distribution of Excess Surplus</u>			
Transfer to General Fund	\$ 195.6	\$ 252.7	\$ 252.3
Transfer to Taxpayer Relief Fund	60.0	21.5	74.2
Total	<u>\$ 255.6</u>	<u>\$ 274.2</u>	<u>\$ 326.5</u>
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<u>Combined Reserve Fund Balances</u>			
Cash Reserve Fund	\$ 587.9	\$ 587.8	\$ 617.3
Economic Emergency Fund	189.5	195.9	205.8
Total	<u>\$ 777.4</u>	<u>\$ 783.7</u>	<u>\$ 823.1</u>
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<u>Statutory Maximum</u>			
Cash Reserve Fund	\$ 587.9	\$ 587.8	\$ 617.3
Economic Emergency Fund	196.0	195.9	205.8
Total	<u>\$ 783.9</u>	<u>\$ 783.7</u>	<u>\$ 823.1</u>

Taxpayer Relief Fund

(In Millions)

	Actual FY 2020	Estimated FY 2021*	Projected FY 2022
Funds Available			
Balance Brought Forward	\$ 13.5	\$ 74.0	\$ 90.2
General Fund Surplus Transfer	60.0	21.5	74.2
Interest	0.5	0.0	0.0
Total Funds Available	\$ 74.0	\$ 95.5	\$ 164.4
Expenditures			
Homestead Tax Credit	\$ 0.0	\$ - 2.8	\$ 0.0
Elderly & Disabled Tax Credit	0.0	-2.5	0.0
Transfer to the General Fund	0.0	0.0	0.0
Ending Balance	\$ 74.0	\$ 90.2	\$ 164.4

* The \$60.0 million statutory limit is repealed beginning in FY 2021.

**Adjusted Revenue Estimate
and Reserve Fund Goal Calculations**

(In Millions)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
REC Estimates	\$ 7,527.0	\$ 7,848.4	\$ 7,876.6
Revenue Adjustments	94.9	-9.3	-39.1
Adjusted Revenue Estimate	<u>\$ 7,621.9</u>	<u>\$ 7,839.1</u>	<u>\$ 7,837.5</u>
Reserve Fund Goals			
Cash Reserve Fund (7.5%)	\$ 571.6	\$ 587.9	\$ 587.8
Economic Emergency Fund (2.5%)	190.5	196.0	195.9
Total	<u>\$ 762.1</u>	<u>\$ 783.9</u>	<u>\$ 783.7</u>

FY 2022 General Fund Built-In and Anticipated Expenditures

(In Millions)

	<u>LSA Estimates</u>
<u>Built-In Expenditure Changes</u>	
1. Human Services – Medical Assistance	\$ 89.7
2. Human Services – Estimated Capitation Rate Increases	75.0
3. Management – Technology Reinvestment Fund	17.5
4. Education – Instructional Support Program	14.8
5. Human Services – Hawki Program	7.7
6. Education – K-12 School Foundation Aid	5.9
7. Management – State Appeal Board Claims	4.5
8. College Aid – College Work Study	2.8
9. Education – Nonpublic School Transportation	2.7
10. Education – Child Development (At-Risk Program)	2.1
11. Economic Development Authority – World Food Prize	0.6
12. Economic Development Authority – Tourism Marketing	0.3
13. Cultural Affairs – County Endowment Fund	0.1
Subtotal	<u>\$ 223.7</u>
<u>Anticipated Expenditure Changes</u>	
14. Classroom Environment & Therapeutic Classrooms	\$ 2.6
15. Public Health - Addictive Disorders	1.5
16. Corrections - Pharmacy	0.5
Subtotal	<u>\$ 4.6</u>
Total	<u>\$ 228.3</u>

Note: A 1.0% increase in the State percent of growth rate for School Foundation Aid would increase the FY 2022 appropriation by approximately \$40.8 million.

State Tax Credit Claims
(In Millions)

Tax Credit Programs	Actual FY 2018	Actual FY 2019	Actual FY 2020
<u>Capped Programs</u>			
High Quality Jobs Program	\$ 60.2	\$ 36.7	\$ 50.5
Historic Preservation Tax Credit	36.9	35.2	29.0
Redevelopment Tax Credit	8.9	15.9	20.8
School Tuition Organization Tax Credit	11.9	10.9	9.5
Workforce Housing Tax Incentive Program	3.7	5.3	6.0
All Other Programs	45.1	45.8	33.5
Total Capped Programs	\$ 166.7	\$ 149.9	\$ 149.3
<u>Uncapped Programs</u>			
Biodiesel Blended Fuel Tax Credit	\$ 68.7	\$ 66.9	\$ 71.8
Earned Income Tax Credit	72.4	84.2	67.5
Iowa Industrial New Jobs Training Program (260E)	39.3	37.6	38.3
Research Activities Tax Credit	15.3	14.5	14.8
Tuition and Textbook Tax Credit	18.3	17.3	14.7
All Other Programs	20.2	20.1	21.0
Total Uncapped Programs	\$ 234.2	\$ 240.5	\$ 228.1
Tax Credit Program Total	\$ 400.9	\$ 390.5	\$ 377.4

Source: Department of Revenue, Tax Credits Contingent Liabilities Report, October 2020.

The numbers may not equal totals due to rounding.